

# ATTACHMENT A

## ***DRAFT INDEPENDENCE RULE PROPOSAL:***

WAC 4-25-622 - When must a CPA or CPA firm be independent?

When performing attest services CPAs and CPA firms are responsible for maintaining independence so that attest opinions, conclusions, judgments, and recommendations will be impartial and viewed as impartial by parties expected to rely on the attest report. CPAs and CPA firms are required:

- To comply with the independence rules, regulations, and code of conduct as referenced in and required by WAC 4-25-631, and
- Avoid situations that could lead parties expected to rely on the attest report to conclude that the CPA or CPA firm is not able to maintain independence and, thus, not capable of exercising objective and impartial judgment on all issues associated with the attest service.

Independence is not required when performing a compilation of a historical or prospective financial statement provided the CPA's report discloses any lack of independence.

## ***DRAFT INDEPENDENCE DEFINITION PROPOSAL:***

**"Independence"** means an absence of relationships that impair or may appear to impair a licensee's impartiality and objectivity in rendering attestation services.